Income Tax - Alternative Fuel Refueling Facility

When adding an alternative fuel pump to an existing service station, do expenses related to updating signs qualify for the alternative fuel refueling facility credit?

All incremental costs *directly* associated with the addition of the alternative fuel refueling capability, including signs to notify the public, will qualify for the alternative fuel refueling facility credit. [§39-22-516(2.7)(b), C.R.S.]

Example: Service station A adds alternative fuel refueling capability and updates this station's sign with a **comparable** sign to include information regarding the availability of alternative fuel. The costs of updating the sign are included when computing the credit.

Service station B adds alternative fuel capability and upgrades the station's sign with an **improved** sign that includes information regarding the availability of alternative fuel. The station also rents a billboard to advertise the alternative fuel availability. The costs to add the information to the sign regarding the availability of the alternative fuel would be included to compute the credit; however, the remaining costs for the improved sign are not allowable in computing the credit. The costs for the additional upgrade of the sign and the billboard are not directly associated with the addition and dispensing of alternative fuels and are not included when computing the credit.